

RECORDATION NO.

19487-I FILED

AUG 17 '04

2-55 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

August 17, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: PRR - L195X

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Sublease and Assignment, dated August 12, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Board/Commission under Recordation Number 19487.

The names and addresses of the parties to the enclosed document are:

Sublessor/ Assignor:	Consolidated Rail Corporation 1000 Howard Boulevard Fourth Floor Mt. Laurel, NJ 08054
Sublessee:	PRR Newco, Inc. 110 Franklin Road, S.E. Roanoke, VA 24042
Guarantor:	Norfolk Southern Railway Company 110 Franklin Road, S.E. Roanoke, VA 24042
[Assignee:	Blue Locomotive Lease Co., Ltd.]

Mr. Vernon A. Williams
August 17, 2004
Page Two

A description of the railroad equipment covered by the enclosed document is:

16 locomotives PRR 6725 – PRR 6740 (formerly within the series CR 5590 – CR 5613)

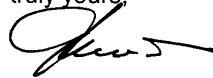
A short summary of the document to appear in the index follows:

Memorandum of Sublease and Assignment

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish extending to the right.

Robert W. Alvord

RWA/anr
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-L195X, by

CONSOLIDATED RAIL CORPORATION ("**Conrail**")
1000 Howard Boulevard, Fourth Floor
Mt. Laurel, New Jersey 08054

PRR NEWCO, INC. (the "**Company**")
110 Franklin Road, S.E.
Roanoke, Virginia 24042

and

NORFOLK SOUTHERN RAILWAY COMPANY (the "**Railroad**")
110 Franklin Road, S.E.
Roanoke, Virginia 24042

Conrail is leasing certain units of railroad equipment pursuant to the agreement identified in Schedule A hereto as the "**Senior Lease**" with the party named in Schedule A hereto as the "**Senior Lessor**," which agreement was recorded with the Surface Transportation Board and assigned the recordation number shown on said Schedule A.

The Senior Lessor has assigned the Senior Lease to the party named as "**Security Trustee**" in Schedule A hereto pursuant to the agreement identified as the "**Security Agreement**" in said Schedule A, which agreement was recorded with the Surface Transportation Board and assigned the recordation number shown on said Schedule A.

The parties hereto hereby wish to evidence for the public record the following transactions with respect to such units of the railroad equipment covered by the above-named agreements as are listed in Schedule B hereto:

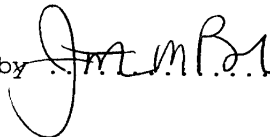
1. The Sublease of Railroad Equipment PRR-L195X between Conrail, sublessor, and the Company, sublessee.
2. The assumption of the obligations of the Company as sublessee under the above-named sublease by the Railroad, pursuant to the Assumption Agreement PRR-L195X by the Railroad in favor of Conrail.
3. The assignment by Conrail, assignor, of the sublease named in item 1 to the Senior Lessor, assignee, as security for Conrail's obligations under the Senior Lease, pursuant to the Assignment of Sublease PRR-L195X by Conrail in favor of the Senior Lessor.

4. The reassignment by the Senior Lessor, assignor, of the sublease named in item 1 to the Security Trustee, assignee, as additional security for the Senior Lessor's obligations under the Security Agreement pursuant to the Reassignment of Sublease PRR-L195X by the Senior Lessor in favor of the Security Trustee.

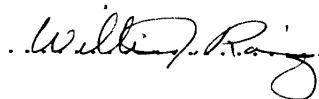
5. The assignment by the Railroad, assignor, of its subleasehold interest under sublease named in item 1 to CSX Transportation, Inc., assignee, pursuant to the Cross-Assignment of Lease and Agreement among such parties and Conrail, as security for the Railroad's obligations for reimbursement thereunder.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers thereunto duly authorized:


CONSOLIDATED RAIL CORPORATION

by 

PRR NEWCO, INC

by 

NORFOLK SOUTHERN RAILWAY COMPANY

by 

STATE OF NEW YORK
COUNTY OF NEW YORK

)
) SS.:
)

On this 12th day of August, 2004, before me personally appeared Jonathan M. Broden, to me personally known, who, by me being duly sworn, says that he is V.P. & Gen Counsel of CONSOLIDATED RAIL CORPORATION, and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01M6101194
Qualified in New York County
Commission Expires Nov. 10, 2007
My commission expires

.....
Notary Public

STATE OF NEW YORK
COUNTY OF NEW YORK

)
) SS.:
)

On this 12th day of August, 2004, before me personally appeared William P. Romig, to me personally known, who, by me being duly sworn, says that he is V.P. & Treasurer of PRR NEWCO, INC., and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01M6101194
Qualified in New York County
Commission Expires Nov. 10, 2007
My commission expires

.....
Notary Public

STATE OF NEW YORK
COUNTY OF NEW YORK

)
) SS.:
)

On this 12th day of August, 2004, before me personally appeared William P. Romig, to me personally known, who, by me being duly sworn, says that he is V.P. & Treasurer of NORFOLK SOUTHERN RAILWAY COMPANY, and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01M6101194
Qualified in New York County
Commission Expires Nov. 10, 2007
My commission expires

.....
Notary Public

SCHEDULE A
SENIOR TRANSACTION L195X

Senior Lease:

Lease Agreement (Conrail 1995A-X) dated as of June 27, 1995, between Consolidated Rail Corporation and Blue Locomotive Lease Co., Ltd., as amended.

Recorded with the Surface Transportation Board on June 27, 1995, and assigned recordation number 19487.

Senior Lessor:

Blue Locomotive Lease Co., Ltd.

Security Agreement:

Trust Indenture and Security Agreement (Conrail 1995A-X) dated as of June 27, 1995, among Blue Locomotive Lease Co., Ltd., Consolidated Rail Corporation, and Wilmington Trust Company, as amended.

Recorded with the Surface Transportation Board on June 27, 1995, and assigned recordation number 19487.

Security Trustee:

Wilmington Trust Company, not in its individual capacity but solely as trustee under the security agreement specified above.

Schedule "B" Equipment

Lease L195 Blue

**PRR
SD60I Locomotives**

Count	Original		Current	
	Initial	Unit Number	Initial	Unit Number
1	CR	5590	PRR	6725
2	CR	5592	PRR	6726
3	CR	5593	PRR	6727
4	CR	5595	PRR	6728
5	CR	5596	PRR	6729
6	CR	5598	PRR	6730
7	CR	5600	PRR	6731
8	CR	5602	PRR	6732
9	CR	5603	PRR	6733
10	CR	5605	PRR	6734
11	CR	5606	PRR	6735
12	CR	5607	PRR	6736
13	CR	5608	PRR	6737
14	CR	5610	PRR	6738
15	CR	5611	PRR	6739
16	CR	5613	PRR	6740